



OPERATIONAL SERVICES DIVISION

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July 1, 2018

Notice of Revised FY 2018 UFR Audit and Preparation Manual

The purpose of this notice is to explain the revisions made, effective July 1, 2018, to the Uniform Financial Report (UFR) Audit and Preparation Manual.

**Financial Accounting Standards Board
Accounting Standards Update 2016-14 (ASU 2016-14):**

Under ASU 2016-14 and effective for annual financial statements issued for fiscal years beginning after December 15, 2017, not-for-profit entities will be required to:

1. Present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than the currently required three classes (unrestricted, temporarily and permanently restricted net assets). That is, not-for-profit entities will report amounts for ***net assets without donor restrictions*** and ***net assets with donor restrictions***, as well as the currently required amount for total net assets.
2. Present on the face of the statement of activities the amount of the change in each of the two classes of net assets (***net assets without donor restrictions*** and ***net assets with donor restrictions***) rather than that of the currently required three classes (unrestricted, temporarily and permanently restricted net assets). Not-for-profit entities will continue to report the currently required amount of the change in total net assets for the period.

Please note that the Operational Services Division will not be reissuing the fiscal year 2018 Excel UFR Template to reflect the changes made by ASU 2016-14 for the reporting of net assets classes as described above. As a result, not-for-profit Contractors filing the UFR as of and for the year ended December 31, 2018 are instructed to report net assets as follows in the fiscal year 2018 UFR template:

Net Assets Without Donor Restrictions – report in the **unrestricted net assets class** on the statements of financial position and activities in the fiscal year 2018 UFR template.

Net Assets With Donor Restrictions – report in the **temporarily restricted net assets class** on the statements of financial position and activities in the fiscal year 2018 UFR template.

Not-for-profit Contractors filing as of and for the year ended December 31, 2018 may include an attachment to the statements of financial position and activities indicating they have reported net assets classes as required by ASU 2016-14 in accordance with these instructions.

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